



# One FLS, Fit for the Future Programme

## Supplementary information for candidates

# Summary of the One FLS, Fit for the Future Programme

## 1 - FLS a strong organisation that needs to get stronger

**FLS is a strong organisation with an enduring mission “*to look after Scotland’s national forests and land, for the benefit of all, now and for the future*”.** We are proud of the contributions that we make to our society, environment and economy. These include supplying 40% of Scotland’s timber, supporting the green energy transition as the largest UK estate of onshore windfarms, hosting 10m visitors per year and conserving and restoring iconic landscapes and nature across 9% of Scotland. We are here for good ... in the service of Scotland ...for the long term ... as One FLS.

**We have achieved a great deal over 100 years and we want to deliver even more** for Scotland. But the going is getting tougher and “**what got us here will not get us there**”. Currently we are not financially sustainable and Scottish Government (SG) public sector reform is challenging us to be a more self-reliant agency and business. We raise around 80% of our funding from commercial sources and 20% from SG. We expect to continue to get some SG funding to sustain the important public services that we provide for visitors, for communities and for nature. But it will be less certain and harder to secure than in the past.

Thus, we are challenging ourselves to be financially sustainable within the next three years to give us options for the future about what we invest in and how best to fulfil our mission. This means making a profit on all our commercial activities (timber, estates & renewables and commercial aspects of visitor services) to enable us to invest in our estate and the public services that we provide (visitor services and nature). We also want to deliver those public services as efficiently as we can with as much funding as possible from SG or other partners.

## 2 - Our priorities over the next 3 years

Our vision remains “***forests and land that Scotland can be proud of***” and a thriving organisation to manage it by being better and more commercially astute in all that we do. We need leadership clarity in **delivering our multiple objectives without muddling them up**. To achieve this we have three priorities as described below (see also Annex 1):

## 2.1 To look after the estate and our people we will:

- Continue **managing our forests and land to the UK Woodland Assurance Standard** delivering commercial value together with significant environmental and social benefit.
- Continue to **invest in the skills and talents of our people**, promote a safety-first culture, improve our leadership and performance management and foster wellbeing and inclusion.
- Continue to use **workforce planning** to make sure we have enough people, with the right skills, in the right places to help us achieve our organisational priorities.
- **Work as a 'one FLS' team** with all of us here to achieve the same, shared purpose; listening and learning from each other.

## 2.2 To become financially sustainable we will:

- **Have better visibility and accountability for our revenues and costs** supported by better business systems including Aspen to grip, benchmark and reduce our **unit costs**. The initial focus will tackle high-cost areas of civil engineering and forest establishment.
- **Prioritise, simplify and reduce duplication of effort** by working smartly to place effort on areas we see the greatest impact and by being clear on what we must do, and what we should and could do (if resources allowed). This includes continually improving the quality and cost effectiveness of our internal support services.
- Actively **invest in our estate and assets** to deliver a future return, taking and managing calculated risks.<sup>1</sup>

## 2.3 To become more commercially astute we will:

- **Drive good bargains** through: understanding our customers' needs; robust negotiation on prices, costs and contract management; and managing our spend to ensure the very best value for public money.
- **Get smarter on how we procure and manage contracts** so that we get the best results for our agency (we outsource around half of our total spend).
- Apply commercial disciplines to **offer as much public service delivery as we can fund** by right sizing our service offer, gripping costs, and seeking full cost recovery by service charges or grants, government funding and private investment.

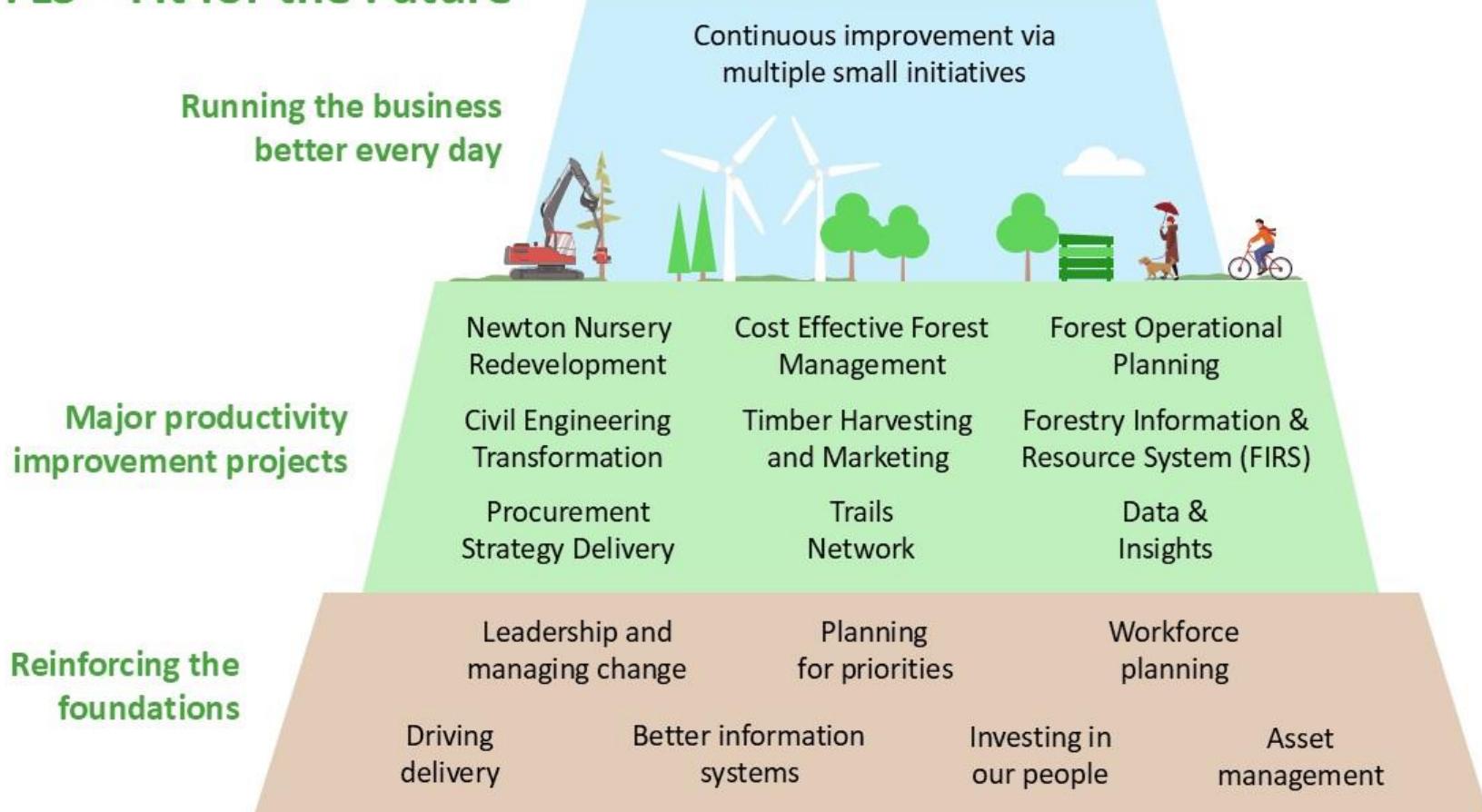
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<sup>1</sup> For example we invested £27m investment in Newton Nursery to grow more, better, cheaper trees and in 2025/26 we will invest £12m in new assets and restocking funded from reserves and disposal of surplus non-productive assets.

### 3 – A portfolio of change projects to make us Fit for the Future

Change is already happening with a portfolio of improvement initiatives underway and planned at three levels as set out below.

## One FLS – Fit for the Future



We want to command and reinforce ongoing **continuous improvement** through the myriad incremental improvements that FLS colleagues are making to **run the business better every day**. Recent successes include:

- We are continuing to increase and integrate our portfolio of renewable energy generation projects and income from estates.
- We have saved £900k on restocking costs by making better use of natural regeneration.
- Our harvesting programmes for 2025/6 are all set well before the year starts: major progress on years before with more to do.
- We have ensured that we are recovering more overhead costs from SG on our peatland and rainforest programmes.
- c.£250k savings on our digital connectivity and innovations such as use of satellites as a more cost-effective way of making connections in remote locations.

### 3.2 Major Productivity Improvement Projects

Beyond everyday continuous improvement, we have identified a number of specific **Major Productivity Improvement Projects** to increase our productivity especially across the forest management cycle. Some of these may be transformational in time. All are designed to help us run the business better every day when delivered. These will be led by the relevant regional and national teams with some dedicated project management support and include:

Project	Objective
Newton Nursery	£27m investment to produce more, better and cheaper trees and a better working environment
Cost Effective Forest Management	Achieve more cost effective, rapid and right first time re-establishment of the forest through restocking and natural regeneration (right tree, right place, right time).
Forest Operational Planning	Create deliverable land management plans and develop programmes (harvesting, restocking, civils etc) in good time so that there is less late-stage change and increased certainty in delivery of programmes.
Civil Engineering Transformation	Deliver more cost-effective access for timber harvesting via better planning, 'good enough specifications', harder bargains with contractors etc to save at least £3m each year.
Timber Harvesting, marketing and sales	Sell and despatch agreed volume and improve margin. Maximise value from every site, be efficient and cost effective in all harvesting and sales operations, understand the market and develop skills of staff
Forest Information & Resource System (FIRS)	Explore a new generation of digital systems across core operations (forest planning, nursery & restocking, wildlife management and harvesting, marketing and sales, estates and renewables) to replace aging systems, improve efficiency and provide management information to better inform decisions.
Procurement Strategy Delivery	Procurement & Contract Management and Delivery Teams collaborating to improve value for money, streamline administrative requirements for suppliers and staff and engage and develop the supplier base to ensure sufficient capacity to service current and future needs.

Trails Network	Reviewing our network of paths, trails and promoted sites to ensure the right provision in the right place, including considering the potential for 3 <sup>rd</sup> party delivery for selected visitor destinations.
Data and Insights	Adopting technology to enable staff with the digital tools to turn the vast amount of data we collect into real business intelligence to make better decisions about spending and investment.

### 3.3 Reinforcing the foundations that enable the business

We are also **reinforcing the foundations** that are the essential enablers of success across FLS through a suite of initiatives including:

Initiative	Objective
Leadership & managing change	<ul style="list-style-type: none"> <li>○ Grow our leadership culture (see section 4) and reinforcing dynamic leadership at all levels</li> <li>○ Establish a Portfolio Management Office with skilled programme management and change staff to support delivery of our Fit for the Future change programme</li> </ul>
Planning for priorities	<ul style="list-style-type: none"> <li>○ Make clearer strategic choices including a new Corporate Plan 2026-30</li> <li>○ Develop sector strategies where needed including for Timber, Renewables and Visitor Services</li> <li>○ Agree annual business plans for each business area to reconcile business priorities with the money and staff time available thus bringing more clarity and improved wellbeing for staff</li> </ul>
Workforce planning	<ul style="list-style-type: none"> <li>○ In conjunction with business plans, use workforce planning to make sure we have enough people, with the right skills, in the right places to help us achieve our organisational priorities</li> </ul>
Driving delivery	<ul style="list-style-type: none"> <li>○ Use Balanced Scorecards and Directorate Dashboards to track and improve performance</li> <li>○ Hold Monthly Performance &amp; Development conversations for all staff to monitor delivery and wellbeing</li> <li>○ Reinforce our assurance and risk management systems across FLS</li> </ul>
Better information systems	<ul style="list-style-type: none"> <li>○ Harness all our data for better informed business decisions including Aspen, Forester Web Redevelopment, Transend and Telematics</li> </ul>
Investing in our people	<ul style="list-style-type: none"> <li>○ Develop the skills of our people via: Improved induction, HR Line Manager Program, Leadership and Management Skills Programme, technical and commercial training</li> <li>○ Increase awareness of diversity and inclusion by continuing Reverse Mentoring, Equality Impact Assessment learning and Engaging the Bystander training</li> </ul>
Asset management - fleet & buildings	<ul style="list-style-type: none"> <li>○ Actively manage our fleet and building assets to support business delivery, reduce costs and carbon and maintain employee wellbeing by investing, disposing or sharing with other bodies as needed.</li> </ul>

## 4 – Leading the change

Leadership, engagement and communication with colleagues across FLS will be central to making FLS Fit for the Future. As an organisation we are committing to lead change in FLS by:

- Focussing on strategic leadership providing clear purpose, direction and focus in all that we do.
- A working presumption to proactively reset and transform ways of operating and take calculated risks.
- Enabling an environment that encourages improvement, constructively challenges ideas, and works across boundaries.
- Being passionate and proactive drivers in the organisation.

## 5 – What can you do – changing together

Our staff along with our estate are our most valuable assets so we need both working as effectively as possible towards our organisational priorities.

This year we will spend c.£60 million on staff costs and the Scottish Government is challenging all public bodies to manage down the number of fulltime equivalent staff (FTE) over time to pre-Covid levels. We must get to profitability on our commercial activities and recover full costs for the public services we provide, so we can be in position to make the case for a focus on our outcomes rather than just staff numbers. We have a lot of work to do together to get to that position.

How we have worked to date has shaped the organisation we have, and there is a lot to be proud of, but it's not financially sustainable for the future. Thus the status quo is not a safe place to protect our estate and our people. That means we have to change together.

The FLS of tomorrow will be shaped by all of us in how we work and what we focus our efforts and time on. This change will be evolutionary not revolutionary as our core mandate and business is not changing. It will mean being open to working in different ways, prioritising things which deliver business sustainability, learning new skills and moving on from some of the things we have done in the past. Running the business well enables us to deliver the greatest benefits from the fantastic asset we manage for the people of Scotland.

If we all commit to change and evolving our business, then we have a bright future as FLS. You can be part of that future, and you can help to shape it and make it happen.

Let's grab that opportunity together!

## Annex 1 – Summary of One FLS - Fit for the future

